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# IN-DEPTH EVALUATION OF THE TRADE POINT PROGRAMME

Follow-up to the decision adopted by the Working Party on the Medium-term Plan and the Programme Budget at its thirty-third session

Note by the UNCTAD secretariat

1. At its thirty-third session, the Working Party on the Medium-term Plan and the Programme Budget decided, in paragraph 10 of its agreed conclusions, to invite the Secretary-General of UNCTAD to seek advice, in particular of Trade Point managers and end-users of Trade Points, on "the proposals to be made by the secretariat with respect to the implementation of the recommendations contained in the evaluation report, and to advise on future actions aimed at enhancing programme delivery, especially with regard to the assistance to be provided to the Trade Points". It also requested that its conclusions should be transmitted for consideration to the fourth session of the Commission on Enterprise, Business Facilitation and Development.

2. The Working Party decided at the same session, in paragraph 9 of its agreed conclusions, to invite the secretariat to prepare a Trade Point Programme strategy for further consideration by the Working Party, thereby paying particular attention to the content of the evaluation report and to the deliberations of the Working Party thereon. This strategy should contain proposals on the financial and technical feasibility of the implementation of the recommendations contained in the report. In the same paragraph the Working Party further

undertaken to implement various mandates entrusted to it since the inception of the Trade Point Programme".

3. In response to paragraph 10 of the Working Party's agreed conclusions, Trade Point managers, end-users of Trade Points and government experts acting in their personal capacity met in Geneva from 26 to 28 May 1999. The participants were selected taking into account their experience and expertise in the area of Trade Points and related issues. Particular attention was paid not only to the criterion of competence but also to bringing into the discussion different perspectives on the Trade Point Programme.

4. The discussions were structured so as to correspond to the two main topics selected by the Working Party for review, namely "the secretariat's proposals with respect to the implementation of the recommendations contained in the evaluation report" (agenda item 1 of the deliberations) and "future actions aimed at enhancing programme delivery, especially with regard to the assistance to be provided to the Trade Points" (agenda item 2). The conclusions of the participants are reflected in the present document under the topics indicated above. Part I, which deals with the secretariat's proposals with respect to the implementation of the recommendations contained in the evaluation report, has been produced in tabular format to provide delegations with a complete overview on the recommendations contained in the evaluation report, the comments of the members of the Working Party thereon as contained in the summary of the Working Party's Chairman, the related proposals for implementation suggested by the secretariat and the conclusions of the participants. Part II, corresponding to agenda item 2, provides indications of areas of emphasis for future orientation of the Trade Points Programme.

5. The list of participants is provided in Annex I

## CONCLUSIONS BY TRADE POINT MANAGERS, END-USERS OF TRADE POINTS AND GOVERNMENT EXPERTS ACTING IN THEIR PERSONAL CAPACITY

### I. Review of the secretariat's proposals on the implementation of the recommendations contained in the in-depth evaluation report on the Trade Point Programme

| Recommendations contained in the in-depth evaluation report (TD/B/WP/110) | Member state's views on the recommendations expressed at the Working Party, as recorded in the Chairman's summary (TD/B/WP/115) | Proposals for action by the secretariat | Conclusions by experts |
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| 25. ***Recommendation - Develop a Global Trade Point Network knowledge management framework*** - More effective knowledge management within the Global Trade Point Network is essential if Trade Points are to collectively exploit global information resources for the benefit of their clientele. UNCTAD and the ITC should consider a much broader role in knowledge management within the Global Trade Point Network, for at this stage the network lacks the centralized resources to set up and administer an effective knowledge management framework. In addition, the secretariat could utilize knowledge management applications to share information and experience internally and with the Trade Points.<br><br>26. This effort could begin on a limited basis and evolve over time as more Trade Points | Paragraph 25: Most delegations agreed with the evaluation team that a knowledge management framework was one of the most important recommendation for the UNCTAD secretariat to implement, as it would address the concerns of many countries with respect to the lack of information flows. Concern was expressed by several delegations, however, with regard to the cost of implementation. Having been informed that it would greatly depend on the size of the system, ranging from US$ 500,000 to several million, these delegations requested the secretariat to come up with a concrete proposal with a clear indication of resource requirements. Some delegations | It is proposed that the GTPNet be completely reorganized to emphasise the business aspects of the site. The purpose of renovating the GTPNet is to increase its value for its users and to maximize the potential that can be reaped from sharing development and information. To this end, the GTPNet should open itself to new categories of participants, beyond UNCTAD and the Trade Points, who can contribute to, and benefit from, the operation of the system. In this regard, particular efforts should be made to incorporate new participants from the private sector and from developed economies. This category of participants, the GTPNet Partners, will be registered with the Trade Point Programme (TPP) and will supply level 2 ETOs (see below). While a list of GTPNet Partners together with hyperlinks to their respective web sites will be maintained for public scrutiny, dynamic replication of information about the services they provide will not be available. There is in fact no requirement for GTPNet Partners to supply any service other than providing ETOs, although GTPNet Partners | Participants felt that the GTPNet was an important tool which required amelioration. In particular, it was stated that the quality of information on the GTPNet should be improved. Standards should be set for information quality and Trade Points should have an obligation to supply high quality information.<br><br>It was mentioned that the GTPNet serves as a window to the world for traders and countries. The objectives and services of the GTPNet should be clearly specified and should be promoted to overcome some current |

gain partial or full Internet access. Potential knowledge management tools, which could be employed, include:

**Listserv or WWW-based discussion group**, maintained by UNCTAD/ITC, whose membership would be limited to Trade Points. It could be used by the secretariat as its main channel to broadcast Global Trade Point Network news and announcements, thereby creating an incentive for Trade Points to keep their e-mail address information up to date. Trade Points could also utilize the Listserv to broadcast general requests for information or assistance.

Low-cost packaged software is readily available to support this functionality. It is understood that the ITC is considering such a capability.

**Virtual Global Trade Point Network Intranet**, which could start as a password-protected WWW site, where Trade Points could provide information concerning their trade information resources and services as a reference for the rest of the Global Trade Point Network. Existing software tools could be utilized to maintain an online archive of Ahelp desk@ enquiries from Trade Points (and the associated responses) seeking technical or trade information.

27. The administration of this site could be decentralized by means of online forms through which Trade Points could maintain up-to-date information on their services and hyperlinks to their online resources. In addition, a more in-depth clearinghouse of

suggested that, given the importance of this recommendation in addressing the one real concern of the Trade Points, the work could begin gradually

are expected to provide additional services and/or information by interconnecting their web sites with the GTPNet.

It is proposed to establish a basic technical framework which should be continuously enhanced through joint efforts of all interested participants. In the case of Trade Points, information sharing would be achieved by maintaining a central database where information can be found easier and faster. The information would be updated automatically through a dynamic process whenever it is updated locally.

Together with the renovated ETO system, the GTPNet web site will host three types of information services:

(a) General TPP information, which will be maintained by the central team.
(b) Information originating from individual Trade Points (which will be updated dynamically) and from GTPNet Partners
(c) An open area for information exchange among all participants.

The open and shared area will cater for news groups including a technology watch, user feedback, chat groups, discussion database, knowledge database, newsletters, announcements, etc. The discussion database will be a tool for individual Trade Points to submit questions regarding a problem they have encountered on which the other Trade Points can offer advice. Once a solution has been found and has been proven successful, the problem and its solution will be added to the knowledge database. All information will be managed so that Trade Points and users can easily find the right information at the right time. Firstly, information will be indexed for full text search. Secondly, information will include user-defined fields (e.g., keyword, industry, topic area) so that a collection

negative images.

Participants expressed support for the development of the GTPNet as a repository of trade information and contact point for access to commercial databases at competitive prices. This would help to strengthen Trade Points and this in turn would strengthen the Network. GTPNet should focus on operational Trade Points but should also support TPs in development

It was indicated that software tools for the development and operation of TPs would be incorporated into the GTPNet and would be available at the local TP level for national adaptation.

It was suggested that the technical solutions related to the GTPNet should take into account bandwidth limitations in some developing countries and that options for off-line querying of databases should be accommodated.

It was felt that co-operation with other organizations would assist in solving the

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| trade information resources available within the United Nations, the Global Trade Point Network and elsewhere on the WWW could be maintained. This resource could eventually form the basis for Global Trade Point Network information services. Further information on knowledge management principles and suggested Global Trade Point Network applications are presented in annex 5.<br><br>28. It is also recommended that the development of knowledge management applications be considered as a possible project under the Partners for Development initiative. Many of the technology firms being approached to participate in the initiative have significant expertise in the area and could provide expert assistance in the design and implementation of a Global Trade Point Network knowledge management application. | | of information can be sorted and viewed by meaningful criteria.<br><br>The GTPNet Website is at the very core of the TPP and should, therefore, be maintained and controlled by the TPP itself. Options for the financial sustainability of the site, including banner advertising and subscription fees from individual TPs, should be fully explored, including legal advice as to the modalities through which advertising could be introduced in a UN-managed website. It is likely that the site could generate significant revenues from advertising. It is proposed that this revenue potential be exploited to the full and that a fund be established from such revenues to support maintenance activities related to the TPP.<br><br>Listserv: A mailing list utility programme that automatically distributes mailing lists on a wide variety of subjects, should be created. All Trade Points which can send electronic mail on a Listserv location can contribute messages to a mailing list and receive copies of all messages that are contributed. A Listserv provides a real-time solution to problems that might otherwise not be discussed with all other members of the network until the next Trade Point meeting. It also complements the knowledge management site described above. The Listserv should be managed and monitored by a person familiar with the programme and able to provide on-going technical maintenance. The translation of the discussions facilities should also be foreseen. | short-term problems with the GTPNet. |

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| **31.** ***Recommendation - Simplify the Trade Point certification requirements*** - The requirements for establishing a Trade Point should be relaxed to take into account differing legal environments in member States and to allow existing trade promotion or facilitation organizations or private sector entities to join the Global Trade Point Network more easily. In particular, the requirement for a separate association or legal entity for Trade Points should be eliminated or waived in the case of existing organizations with a track record in providing trade information or facilitation services. | Paragraphs 31, 32: Many delegations supported the recommendations regarding simplification in the certification of Trade Points. One delegation attached particular importance to this recommendation | With regard to legal requirements in respect of Trade Points, two options will be made available to Trade Points.<br><br>Option 1: Trade Point as a separate legal entity. When the Trade Point is not set up within an existing institution, it is recommended that a separate legal entity be established. The most appropriate form would be a not-for-profit association. The name of the Trade Point, the reference to the objectives and principles of the Trade Point Programme, the membership of the Trade Point, its organizational structure, and financial auditing should be included in the statutes. A model of Trade Point statutes is available and UNCTAD provides legal assistance to each interested Trade Point in the preparation of the statutes text. A copy of the signed and registered statutes is subsequently sent to UNCTAD. The Trade Point that opts for a separate legal entity will also be requested to submit a business plan, drafted according to the guidelines provided by UNCTAD.<br><br>Option 2: Trade Point within an existing institution. The Trade Point can also operate within an existing institution that has a proven track record in the provision of trade information and/or trade facilitation services. A typical example is a Trade Promotion Organization in a broader sense. Two possibilities exist for such a Trade Point: it can be formally established as a separate organizational entity (section, department) within the hosting institution, or Trade Point services can be integrated into the overall trade support services of this institution (e.g. ETOs can become one of the sources of information about business opportunities offered to the institution's clients). Instead of a full business plan (as under option 1), a simplified version will be required for new applicants under option 2. For organizations that are already providing Trade Point | Participants agreed that the TP certification process must be simplified. While some said that TPs should be separate legal entities, others felt that this was too restrictive. Supporters of the separate legal entity model argued that a separate legal entity should be the eventual aim of all TPs, as this provided the most security. Others argued that this mode was difficult to maintain financially in some countries. Proponents of establishing TPs within an existing organization argued that this was operationally more practical in some countries as it avoided duplication of services.<br><br>Overall, there was a general consensus that a flexible approach to the certification of Trade Points was necessary, to respond to the specific requirements in each country. In this context, there was support for a range of TP models.<br><br>It was felt that UNCTAD should retain its role of registrar of TPs for the time being. One participant suggested that the |

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| | | services but could not "graduate" from the feasibility stage in the past, a report describing Trade Point services provided by the institution, outlining how they address customer needs and how they are integrated into the services of the hosting institution, will be accepted as an alternative to a business plan.<br><br>In respect of the range of services provided by individual Trade Points, it is proposed that minimum services be defined which will be required from all operational Trade Points and the provision of which will be feasible from one physical or virtual location without the need for a physical relocation of service providers. The following services are suggested: (a) trade information services, including a functional web site with minimum information, participation in the ETO system and in the knowledge management site of the Trade Point Programme; (b) trade facilitation services in the form of advice/consulting on all aspects of international trade transactions, and information about coordinates and services provided by Customs, banks, insurance companies, freight forwarders etc. in the country/region in support of international trade transactions. Beyond these minimum requirements, the actual services provided by individual Trade Points will be left to their discretion, based on the requirements and opportunities of the local market.<br><br>The steps involved in the setting up of a Trade Point, along with conditions that candidates must comply with, will be summarized in a revised version of the "Work Plan for the Establishment of a Trade Point". | registration process should be reinforced in the future through the inclusion of ISO certification.<br><br>With respect to the certification of TPs, it was felt that the term "certification" was too rigid and legalistic and should be replaced by the term "registration".<br><br>It was suggested that a functional model for the role of TPs be developed. This model would include:<br><br>• Minimum services to be provided<br>• Criteria against which TPs would be registered.<br>• Criteria for ongoing evaluation.<br><br>Participants stated that an important feature of Trade Points reaching the operational stage was planning, in particular the development of an implementation plan encompassing all matters relating to the future development of the TP. Once TPs had reached the operational stage, it was |

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| | | | suggested that their status be continually monitored by those responsible for TP registration, to ensure quality and also to identify problems. A suggestion was made that a review body be established at national level to review, on an annual basis, the performance of the TP and to apply lessons learned from other TPs. It was suggested that TPs should work with other organizations (e.g. Chambers of Commerce, World Trade Centres, etc) in developing TPs and that links between TPs and other business and governmental organizations should be strengthened. |
| **32.** ***Recommendation - Increase national Governments responsibility for certifying Trade Points*** - National authorities should be more closely associated with the UNCTAD secretariat responsibility in respect of the field of certification. National Governments, particularly those which are actively involved in promoting trade efficiency, should be granted the option to independently certify Trade Points in the absence of a national or regional Trade Point federation. While it would be preferable to have a Trade Point federation assume this role, this measure would help to reduce the administrative burden on the secretariat and ensure the continued engagement of the Government with respect to the Trade Point Programme. | See above | Applicants for Trade Points are provided with both general advice concerning the modalities of and steps involved in the establishment of a Trade Point, and with personalized follow-up and support during this process. While this assistance is so far mostly provided by e-mail or fax from Geneva, it is suggested that more missions by the Programme staff be organized to effectively help Trade Points in countries. Another option, which should be used to the fullest extent possible, is the cooperation with regional or national Trade Point groupings. Whenever there is no association of Trade Points in the region/country, interested Governments could assist in evaluating activities of individual Trade Points before their certification as operational. No travel costs would be incurred in this case but maintenance of uniform standards may be more difficult. UNCTAD would use | See above |

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| | | the information obtained from Trade Point associations/fora and governments to decide on conferring the operational status onto Trade Points. | |
| **34.** ***Recommendation - Focus federation establishment efforts at the regional level*** - Given the present stage of the Global Trade Point Network's evolution and its resource limits, the development of a world federation of Trade Points will be difficult to accomplish but should remain an ultimate goal. Efforts should therefore be concentrated on building regional federations/associations, with a view to eventually creating a world body when conditions permit. In the meantime, the Commission on Enterprises, Business Facilitation and Development and related expert meetings should act as a co-ordinating mechanism.<br><br>35. These regional federations/ associations could have the following responsibilities:<br><br>• **Co-ordinate efforts to develop new free and fee-based information products and services appropriate to the region's needs, language preferences and stage of development** - For example, Governments in Latin America have begun to license shipment-level import and *export* data available from their customs authorities to business information firms. These organizations, in turn, utilize database applications to provide sophisticated business | Paragraphs 34, 35: Some delegations felt that setting up Trade Point federations could increase bureaucracy and that the role of the UNCTAD secretariat vis-à-vis such federations was not clear. Other delegations cited the positive experience of regional federations in Latin America and the Caribbean. Several delegations agreed with the recommendation that, at this stage, the effort should be aimed at establishing regional federations and servicing regional needs, rather than attempting to establish a global federation | Continuous legal assistance will be provided to Trade Points interested in establishing regional Trade Point fora and, once there is a significant number of Trade Point fora, an International Trade Point Federation. These bodies, which could eventually take over some activities undertaken so far by UNCTAD, can also play a useful role in the cooperation among Trade Points and in relation to the TPP central team<br><br>The main tasks of the regional forum are: (a) to establish and maintain the list of member Trade Points. At a later stage they could be responsible for Trade Point certification, subject to overall supervision by the TPP; (b) to coordinate activities and to encourage mutual assistance and cooperation among Trade Points; (c) to ensure effective communication among Trade Points; (d) to adopt common policies and recommendations for Trade Points, including the use by its members of UN rules and practices in the area of trade; (e) to represent the interests of Trade Points in respect of Governments, international organizations and the private sector, including negotiations on behalf and to the benefit of its members (e.g. for joint purchases of technology); (f) to provide technical assistance and training to the Trade Points in need.<br><br>The creation and effective operation of regional Trade Point fora is possible only if some basic prerequisites are met, namely: (a) a sufficient number of well-established Trade Points operate in the region; (b) issues of common interest and benefit to a critical mass of members are identified where the Forum can bring | There was agreement on the proposals made by the Secretariat. However, it was felt that the focus should be placed primarily on having well functioning TPs, which would, in turn, lead to strong regional forums. It was felt that regional forums, when established on a sound and sustainable basis, should have the responsibility of registration of TPs.<br><br>Participants felt that regional forums helped to promote intra-regional trade and that they offered good economies of scale for training, etc. In addition the forums helped to maximize the potential of TPs in a region. It was felt that the forums should meet at least once per year.<br><br>It was suggested that the secretariat should play a more active role in supporting the establishment of regional forums. Once properly established, regional forums should take on increasing responsibility |

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| intelligence services, which enable their clients to monitor their foreign competitors and identify potential new customers.<br><br>• **Co-ordinate technical co-operation efforts to assist new Trade Points** in the region and arrange for training and internship opportunities within existing Trade Points.<br><br>• **Negotiate on behalf of the Trade Points with private sector providers of fee-based trade information**, such as in-depth market research and company credit reports, in order to obtain volume discounts on these expensive resources.<br><br>• **Co-ordinate knowledge management efforts within the region** - These regional development centres should be funded by the participating Governments and interested donors, with support from the UNCTAD secretariat. | | added value as compared to individual Trade Points acting on their own; and (c) in view of the perceived/proven usefulness of the Forum, members are determined to commit both financial and in-kind resources for the operation of the Forum. Since these prerequisites may not be easily met in all regions at this stage of development of the TPP, an option would be to consider the possibility of creating Trade Point fora across regions, among countries showing sufficient interest and commitment to an institutionalized cooperation among their Trade Points. Once a majority of operational TPs are included in regional or cross-regional fora and they have accumulated sufficient operational experience, their role in the overall functioning of the TPP should be enhanced. They should, for instance, participate in the TP certification process, designate regional representatives of TPs at UNCTAD meetings, advise the management of the TPP on technological choices, participate in fund-raising activities, etc.<br><br>In parallel with this process, UNCTAD should gradually withdraw from the development and provision of some products to the Trade Points. The responsibility for these products would be handed over to individual Trade Points (or groups of them) according to modalities that would be consistent with the principles which underpin the Trade Point Programme. Such modalities should be defined with reference to the appropriate intergovernmental bodies of UNCTAD and in consultation with the Trade Points. The regional Trade Point fora would also play a key role in this process. | for support, development and registration of TPs.<br><br>In additional to regional fora, participants indicated that direct co-operation and support between TPs was also of significant value and should be encouraged. In the longer term, it was felt that a Global TP Federation should be the ultimate aim. |

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| **38.** ***Recommendations - Pursue the development of a next-generation ETO system which provides qualified trade opportunities*** - Depending on the direction taken with respect to the SEAL initiative (see below), the secretariat should continue to pursue the development of an upgraded ETO system. The Secure ETO with Trade Points (and other certification authorities if operated within the SEAL infrastructure) would offer a much higher quality of trade opportunities and should be pursued. The ultimate configuration should be standards-based, utilize structured data formats and otherwise conform to the Global Trade Point Network's principles of interoperability. SETO should operate in parallel with the current ETO system, although the new service should be fee-based in order to provide a source of potential revenue for participating Trade Points and other agents. Another, less sophisticated, alternative would involve establishing a parallel ETO system, using structured formats, where issuance of new ETOs would be restricted to Trade Points, which would presumably charge for the uploading of trade opportunities to this new, more exclusive system. This would require developing standards (Trade Point federation or UNCTAD secretariat) to qualify the trade opportunities before they are sent to the central processing hub. | Paragraph 38: Several delegations stated that the ETO system was a very important and useful component of the Trade Points in their countries, and supported the recommendation. Some other delegations considered that UNCTAD had neither the mandate nor the capacity to develop or upgrade the ETO system. They considered that ETOs should be better dealt with by the private sector and possibly ITC. | It is proposed that the ETO system develop a three-tier approach as follows:<br><br>(a) Level 1 ETO: This would be an authenticated ETO whereby the TP would verify that the business presenting the ETO actually exists and is in good standing with the banks. Specific criteria would have to be established for this authentication and legal criteria such as "all reasonable care" would have to apply. It is proposed that there would be a charge to companies to enter Level 1 ETOs.<br><br>(b) Level 2 ETO: These would be un-authenticated ETOs sent from TPs to the system. However, all such ETOs would have to come through either the TP or approved GTPNet Partners. A list of GTPNet Partners would be maintained for public scrutiny. While there may be a charge for companies to enter an authenticated ETO, the charge would obviously be less than Level 1 ETOs<br><br>(c)Level 3 ETO: These would include ETOs entered directly on to the system through the Internet from any other sources and would be clearly identifiable as such. This level of ETOs should be phased out over a maximum of one year.<br><br>Free access to ETOs on the GTPNet Internet site should still be maintained but TPs should be given advanced access (protected by password) to the ETOs, perhaps up to seven days ahead of open access. Another possibility would be for the system to deliver the ETOs to TPs in mailbox format prior to their being placed on the Web.<br><br>It is important to note that for many developing economies, the approach to authenticating ETOs is likely to be a manual one. However, the process of | Participants stated that the main problems with the existing ETO system related to quality and reliability; ETO standards; and software tools to handle ETOs. Several participants stated that quality is the key to the success of the ETO system and that trust would only be gained if this quality were assured. The idea of validating ETOs was widely accepted and it was suggested that this validation should be at the company level (as opposed to the individual ETO). The need for common criteria for this validation was stressed (for example factors relating to the current legal and financial status of the company). It was also recognized that the validation must be from credible and well-established organizations. It was suggested that a fee should be charged for ETOs to enhance quality.<br><br>Participants pointed to the need for common and agreed standards for ETO formats in order to facilitate processing. The possibility of adding the new XML Syntax as a |

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| | | establishing the authentication criteria and process will help stimulate and prepare the way for electronic certification, which will soon become indispensable for any serious player in electronic commerce. In the meantime, the TPP should invite companies currently providing electronic certification services to present proposals for the provision of this service to the Trade Point Network. | standard was suggested.<br><br>The requirement for software tools to handle ETOs was stressed, and the possibility of exploiting new Web-based "Push and Pull" technologies was proposed.<br><br>With regard to the three levels of ETOs proposed by the secretariat, there was a strong preference for focusing on Level 1 ETOs (i.e. validated ETOs). It was felt that Level 2 ETOs should only be maintained for a limited transitional period and that Level 3 ETOs should <u>not</u> be maintained on the system. |
| **47.** ***Recommendation*** - While commercial vendors (Verisign, Entrust, Microsoft, IBM, Netscape, TradeWave, Xcert, etc.) and service providers (Deloitte & Touche's NetDox, GTE Cybertrust, etc.) are currently beginning to dominate the market, there is no co-ordinating body to help consolidate the market in terms of standards, regulation and legal issues, cross-certification, and education. We do not see the United Nations as an implementation and execution agency dealing directly with certificates. We see the United Nations as a public organization setting and managing standards. Operation of the infrastructure should be left to the private sector. We suggest that a discussion be held between member States to assess the best modalities | <u>Paragraph 47</u>: There was consensus that the work on SEAL should be interrupted. One delegation indicated that it was not ready to accept any recommendation relating to SEAL. | Member States instructed the secretariat to discontinue the SEAL project. | These recommendations were not discussed. |

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| for establishing standards in such a field.<br><br>48. It has to be taken into account that there is a strong need to search for solutions for secure electronic commerce and the SEAL initiative could facilitate its advent, but at present there is no mandate from member States. It would therefore be recommendable for Governments to consider this matter in the relevant policy-making bodies of the United Nations | | | |
| **52.** ***Recommendation*** - The trade efficiency assessment process, which is to be implemented on a voluntary basis, should be encouraged to provide means of measuring trade efficiency and its evolution in time. Expert meeting(s), with the participation of Trade Point representatives, could be held to propose decisions on issues raised by the present evaluation, in particular on the following topics:<br><br>• The secretariat's role and mandate;<br><br>• The role of Governments and the need to review the text of Columbus;<br><br>• The content and modalities of technical assistance to be provided to Trade Points. | Paragraph 52: Some delegations supported the recommendation for an expert meeting so as to cover the more technical aspects. Some other delegations opposed this on the grounds that it was not for an expert meeting to discuss the mandate of the secretariat, that the Working Party could not have an expert meeting shoulder its responsibility for programme questions, or that an expert meeting should discuss broader substantive issues rather than technical cooperation provided by the programme. Several delegations supported the proposal of one delegation for an ad hoc expert group of the Secretary-General of UNCTAD or some other similar mechanism. | This recommendation is addressed to the member States, rather than the secretariat. | |

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| 53. As planned in 1993, the financial consequences for the UNCTAD secretariat of Programme implementation should be more systematically assessed and the relevant recommendations brought to the Working Party. | Paragraph 53: Some delegations indicated that, while this paragraph was not under the heading "Recommendations", its content was important and needed to be taken into account by the secretariat. | The order of priorities reflected in chapter VII of the draft strategy document nas been established taking into account the following factors: (1) the findings and recommendations of the in-depth external evaluation of the Trade Point Programme, as well as the discussions of the Working Party on the Medium-term Plan and the Programme Budget at its thirty-third session; (2) the feedback received from Trade Points and other players involved in the TPP; (3) the feasibility of the proposals in terms of the current and expected availability of financial resources. Estimates of costs are provided for each proposed action, as well as an indication of whether resources are currently available for it or would need to be secured. | The participants took note of the context of recommendations in this section. Financial implications will be discussed by the Working Party. |
| **56.** ***Recommendation - Develop standardized technical assistance packages for Trade Points under development and set preconditions for such assistance*** - The example of the training courses developed for the Romanian Trade Point should be pursued and enable the development of a comprehensive training package (onsite or distance learning) covering fundamental Trade Point operations out of the wide range of existing training materials. The following topics have been identified as priority areas:<br><br>• Developing and managing the Trade Point WWW site;<br><br>• Electronic commerce fundamentals;<br><br>• Developing online product catalogues, including a survey of currently available software for creating and commerce-enabling online catalogues; | Paragraph 56: Most delegations considered the recommendation to enhance technical assistance as very important and fundamental. One delegation suggested that other models of technical assistance or training could also be looked into. While some delegations would have liked to see the assistance in the context of this paragraph extended not only to Trade Points in the development stage but also to those in operation, another delegation felt that some prioritization might be necessary and the needs of Trade Points in operation could be better addressed by such measures as those recommended in paragraphs 60 and 62. Some delegations could not support the recommendation to establish | Products/services provided by the Trade Point Programme should be accompanied by simple and user-friendly manuals and/or interactive tutorials available on the GTPNet. Topics to be covered may for example include the following: (a) "Guide to the development of a TP web site"; (b) the training course on the development of a TP web site, designed by UNCTAD and successfully delivered in Romania, Zambia and Ethiopia, could be replicated in countries which face the most serious constraints in terms of local expertise, in particular in LDCs; (c) "Guide to the effective operation of the ETO system"; (d) Guide on the "Implementation of electronic business in an economy".<br><br>The provision of tools that would assist Trade Points in enhancing their financial self-sustainability could be envisaged. Possible assistance by the Trade Point Programme in this area could take the form of the preparation of guides and subsequent organization of training on, among others, the following topics: (a) "Guide to potential income-generating products and services for Trade Points". This guide would | There was agreement from participants on the Secretariat's proposals. In addition, it was suggested that a series of case studies of successful TPs be prepared for training purposes. Suggestions were made that TPs should be supported in the early stages of development<br><br>While there was support for the idea of training guides, one participant questioned the usefulness of guides and felt that financial support from UNCTAD in establishing TPs would be more important<br><br>It was suggested that the proposed support to 10 TPs |

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| • Developing trade information services, building on current ITC training capabilities.<br><br>57. Clearer lines between the respective roles of UNCTAD and ITC should be drawn regarding Trade Point Programme implementation<br><br>58. Preconditions should be established for providing technical assistance to a specific Trade Point. These might include co-financing by the host Government or a commitment by the host Government or a private sector sponsor to assist in funding the Trade Point operation during an initial period of operation. Any distance learning courses developed could reside within the Global Trade Point Network virtual Intranet described previously in this report. | preconditions for technical assistance as contained in paragraph 58, while some other delegations supported it.<br><br>In the context of the recommendations in paragraphs 56, 57 and 60, reinforced cooperation between UNCTAD and ITC was called for. Delegations noted the evaluation of the ITC programme on trade information; there had been consultations between UNCTAD and ITC on both evaluations, including meetings between the UNCTAD evaluation team and the ITC evaluator, and the ITC evaluation would be discussed at a separate meeting convened by ITC later in the year. Several delegations indicated that the two secretariats should better delineate their respective areas of activity so as to avoid duplication, in line with the recommendation contained in paragraph 57. | complement the recent ITC publication "Charging for Trade Information Services" prepared for Trade Points in late 1998; (b) "Guide to the use of the Internet as a business research and marketing tool".<br><br>As regards training courses, the long-standing experience accumulated both in ITC and UNCTAD should be fully exploited. UNCTAD's TRAINFORTRADE Programme could also contribute through the provision of training methodology relating to the concept of "training of trainers", which would enable Trade Points to deliver courses to their clients on a sustainable local basis. New courses on issues of priority interest to Trade Points could also be developed with assistance from TRAINFORTRADE and in cooperation with academic institutions. A possible example is the course on Trade Point management, as well as courses linked to electronic commerce. Distance learning should be used as much as possible for the delivery of courses, including through the envisaged knowledge management site of the Trade Point Programme.<br><br>With a view to streamlining technical assistance and maximizing its final effect, a more intensive initiative to assist up to 10 TPs per year in developing economies should be considered. This initiative would include training, technical support, and possibly some contributions to equipment and web site development. The criteria for participation in this programme will include a minimum financial and in-kind contribution from recipients.<br><br>Cooperation with the International Trade Centre (UNCTAD/WTO) should continue to be particularly close in supporting TPs in this crucial area. The role of ITC will consist of the following: (a) Joint development with the Trade Point Programme of guides and joint conduct of surveys for Trade Points | should be focused primarily on existing TPs in the development stage, as opposed to new TPs.<br><br>There was strong support for the role of ITC in the capacity development / training process. In addition, the concept of TPs supporting each other was encouraged and the concept of the development of a roster of potential consultants to support TPs was also accepted.<br><br>It was suggested that a specific suite of training programmes be developed for TPs, including the establishment of a TP, technical aspects, management and quality services. A flexible approach to the delivery of this training was suggested. Delivery of this training could be supported by universities and other specialised institutions.<br><br>The need for a concrete plan for the delivery of training to TPs was mentioned. |

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| | | concerning the establishment and operation of trade information services; (b) delivery of training on information sources and information management, as well as courses newly developed by ITC in this area; (c) ad hoc advisory missions in the area of trade information services, according to the demand of individual Trade Points or groups of Trade Points; (d) provision to Trade Points of specific trade-related information generated by ITC according to its mandate; (e) support for the exchange of information and know-how through the GTPNet and Trade Point forums and assistance to Trade Points in their possible participation in other existing trade information networks at the national, regional or international levels; (f) provision of ITC publications on trade-related information to Trade Points. | |
| **60. *Recommendations - Added value services for clients.*** Reliable trade data is the main concern of ITC, and verification, especially done remotely, is very expensive. Here Trade Points could play an active role in collecting, verifying and feeding back data into various trade information databases. For example, ITC is issuing voluminous weekly reports (e.g. world market commodities price information) which are also subscribed to by Trade Point customers. An added value service and sustainable source of revenue for Trade Points could be to customize these reports for their clients. These clients in turn would be charged less (than for the whole bundle) and would, in addition, receive information specifically tailored to their needs. However, this service is very human resource intensive and would require pre-investments that not all Trade Points can | Paragraph 60: Some delegations considered the recommendation on added-value trade information services important or interesting in terms of its potential for revenue creation. Some others expressed reservations, considering that the recommendation was too ambitious and too expensive. A member of the evaluation team pointed out that this recommendation needed to be read in conjunction with the outcome of the ITC evaluation on trade information. | This recommendation is not specifically addressed, as it is addressed to the individual Trade Points, rather than to UNCTAD's Trade Point Programme. | It was felt that the provision of a range of value added services by TPs was a key factor in their success.<br><br>There was agreement on ITC support for assisting TPs in providing value added services. The Market News Service and volume discounts for publications were mentioned as examples. |

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| afford. | | | |
| **62.** ***Recommendation - Assist in negotiating with private sector providers of fee-based trade information services***, such as product market research, country risk analysis and company credit reports - either for internal use or for resale to Trade Point clients. Although the secretariat cannot directly negotiate such agreements, it should be possible to work initially with a small group of interested Trade Points (for example, a regional Trade Point federation) to develop pilot agreements which other Trade Points could sign on to in the future. Individual Trade Points have already successfully negotiated re-marketing contracts with information providers such as Dun & Bradstreet and the Economist Group, and a larger grouping of Trade Points should therefore be able to obtain finer pricing by virtue of their greater potential purchase volumes. | Paragraph 62: Some delegations expressed doubt as to whether an intergovernmental organization should conduct negotiations with the private sector on behalf of Trade Points. One delegation pointed out that, aside from this general reservation, if anything it appeared more appropriate for ITC rather than for UNCTAD to engage in such an activity. Other delegations considered such activities as useful and recalled that UNCTAD undertook similar activities elsewhere (RBPs). The representative of ITC explained that ITC did not negotiate on behalf of Trade Points but only assisted them in such negotiations. | Legal guidance is requested by Trade Points and Governments concerning contracts and cooperation agreements with third parties. The TPP is also frequently approached by representatives of the private sector or civil society interested in establishing partnerships with the Trade Point Programme or associations of Trade Points. Once clear guidelines on partnerships have been adopted by the United Nations, legal and operational assistance will be given to TPs and their regional forums in this respect. | Bearing in mind that UNCTAD is awaiting guidelines in this area from UN Headquarters, which would be applicable to the UN as a whole, a suggestion was made that partnerships with the private sector should be pursued only when the activities of the partner are complementary to TP activities. |
| **64.** ***Recommendation in addressing running costs*** - The Global Trade Point Network should facilitate the exchange of experience between Trade Points (e.g. in pricing for their services). Moreover, Trade Points could be assisted in the budget planning process, which would then attract public or private support more easily. The secretariat should also develop guidelines for Trade Points to follow in preparing proposals to the local offices of donor agencies. Many Trade Points have successfully attracted funding from related donor programmes within their countries, though a more structured methodology, based | Paragraphs 64, 65: Several delegations supported the recommendations on assistance on budget planning and in fund raising. Other delegations considered that Trade Points should be commercially viable and therefore that such activities should be left to their initiative and to the support provided by the private sector. One delegation questioned the usefulness of a newsletter. Another delegation wished to have a | With a view to facilitating direct contacts between Trade Points and donors, the TPP team will develop guidelines for the preparation of project documents, outlining a standard structure and giving examples of possible definition of activities, as well as formulation of other elements of information required by donors. | It was suggested that strict criteria on proposal writing were necessary, especially with respect to evaluation and performance criteria. Similarly, criteria should be applied to ensure transparency and to avoid the duplication of funding applications to multiple agencies (the usefulness of the logical framework approach in this process was explained by the secretariat). |

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| on the UNCTAD secretariat's extensive experience, would be likely to contribute to an increased success rate for such locally generated proposals. These guidelines could reside within the Virtual Global Trade Point Network Intranet described earlier in this report.<br><br>**65.** ***Recommendation in addressing technical assistance needs*** - The UNCTAD secretariat should intensify its co-ordinating role in this field with the identification of (common) needs and assistance for finding the appropriate executing organization. As a consequence, it should continue to take the lead in generating awareness of the Trade Point Programme among donors and other international agencies. A quarterly newsletter, available on paper and via e-mail, would be one way to increase the Programme's visibility. | recommendation, or a conclusion by the Working Party, to call for increased financial support for Trade Points by the international community. | A Newsletter on programme activities and developments will be prepared by UNCTAD and circulated to Trade Points and missions every six months. Pending the allocation of additional resources to the TPP, the first issue of the Newsletter could appear in the summer of 1999.<br><br>See also references to the proposed knowledge database to be included in the GTPNet (recommendation in paragraph 25 of the in-depth evaluation). | |
| **67.** ***Recommendation - Finance further sustainable development of the Trade Point Network***, for which we suggest a close partnership with industry: the UNCTAD secretariat should specify the functionality of Trade Point e-commerce software (e.g. ETO filtering software) and put together a software reference implementation (ideally based on public-domain software). Software companies should be encouraged to build commercial versions of these software applications. Financial institutions should provide digital payment services to the Trade Point Network. Consulting companies could provide assistance in setting up the infrastructure, in training users, etc. | Paragraphs 67 and 68: Some delegations expressed strong reservations on a possible role for the secretariat as a bridge between the private sector and the Trade Points on technological developments and considered that Trade Points themselves should enhance cooperation with industry. Other delegations stressed that, while the ultimate aim would be to achieve self-sustainability, Trade Points in developing countries still needed UNCTAD's assistance in this area. | The Trade Point programme will monitor technological advances in the area of e-commerce, including suitable products available on the market, and bring this information to the attention of Trade Points and interested Governments. Should Trade Points so wish, the TPP could enter into contacts with software companies and be instrumental in the conclusion of partnerships between them and interested groups of Trade Points regarding projects of pilot tests and adaptation of existing software products.<br><br>The ETO system is an integral component of the TP Network. It is the means by which TPs can exchange business opportunities amongst themselves on a priority basis. It is also the means by which TPs can | It was felt that the Secretariat's proposals were relevant in respect to electronic commerce for Trade Points and that UNCTAD should be a promoter of such e-commerce through, inter alia, the development of pilot projects, utilizing available commercial and/or public domain products. |

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| **68.** ***Recommendation - Develop a standard approach to analysing and reporting on new trade-related products and services*** - UN agencies could be instrumental in centralizing and disseminating information on existing products and services, to enable Trade Points or member States to assess the benefits and implications of these products or services. Types of initiatives that should be assessed include:<br><br>• Products and services designed to enhance the trade efficiency of various elements of the international trade process or to offer new approaches to the delivery of trade-related services. Annex 6 provides a summary of two relevant initiatives: (1) Project Bolero, which is a private sector initiative involving SWIFT to create a paperless ocean bill of lading; and (2) TradeCard, an import financing facility for small companies developed by the World Trade Centres Association, which also features the capability to electronically transmit the documents required to consummate the transaction.<br><br>• Over the past years several trade information and facilitation services and software have been developed by various Trade Points. The Global Trade Point Network should be used more extensively as a means of marketing for these products | See above | disseminate quality business opportunities directly to the business community through the Internet. Consequently, it is recommended that the TPP should continue to manage the ETO system and develop appropriate tools for TPs to handle efficiently the entry, retrieval and selection of ETOs, either through appropriate daily downloads of ETOs in mailbox format (i.e. one large file per day) or a password-protected facility on the Internet. A clear set of technical and functional requirements for these tools should be developed by the TPP (in consultation with the TPs). Companies and/or TPs that have already developed similar products should be associated with the development of these tools. | See above |

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| **70.** ***Recommendation*** - Following any suggested expert meeting (as of under point E.1), which may specify the future UNCTAD secretariat role and mandate, it is likely that the secretariat will have to adapt the expertise of its technical staff in trade and electronic commerce and reorganize the management of the enlarged staff along functional lines.<br><br>71. If the development of the SEAL initiative is pursued (mandated by member States), the UNCTAD secretariat will also have to reinforce its technical expertise in the field of electronic commerce. Although the Evaluation Team is aware that UNCTAD secretariat resources are limited, at the same time there is evidence of a large volume of unmet requests for assistance from the 100+ Trade Points in the development phase - particularly those in least developed countries.<br><br>72. The management of the Trade Point Programme should be organized into three functional areas, including:<br><br>• Trade Point Programme "marketing" for the development of Trade Points, including donor relations and activities related to Partners for Development (private sector);<br><br>• Trade point management and administration of central services for the Trade Point Network (e.g. WWW sites, Litservs, certification); | Paragraphs 70, 71 and 72: Several delegations recalled their position that the work on SEAL should be interrupted. Delegations suggested that UNCTAD conduct research and analysis on electronic commerce issues related to development. A few delegations pointed out that UNCTAD should not be engaged in "research and development" (para. 72) but rather in "research and analysis". | The head of the central support team will have supervisory responsibilities for all functional areas of the Trade Point Programme, including technical support.<br><br>The team will be reorganized around a combination of functional and regional responsibilities. The main functions will be the following:<br><br>*Products and services development* will ensure the development and maintenance of products and services to be delivered by the Trade Point Programme to its customers; coordinate R&D activities undertaken in the framework of the Programme; and provide technical support to Trade Points. The role of technical support will gradually be transferred to Geneva.<br><br>*The customer service*, organized by regions, will deliver products and services to the Trade Points and provide them with related advisory assistance; give guidance to Trade Points through the process of their establishment, starting from first contacts to the operational stage; liaise with Governments and partners in countries; support regional cooperation among Trade Points; and manage national and regional technical assistance projects.<br><br>*The communication service* will implement the communication policy described in Chapter III of the draft strategy document.<br><br>*The quality service* will be responsible for the implementation of quality assurance activities.<br><br>*The legal service* will cover all the legal aspects related to the functioning of the Trade Point Programme and provide advice thereon to Trade Points. | A suggestion was made to include an additional functional area responsible for development of training and publications material. |

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| • Research and development on trade efficiency and electronic commerce in support of the intergovernmental debate. | | *Administrative support* will facilitate the work of the functional areas above.<br><br>Activities related to software development and adaptation, as well as other *ad hoc* assignments will be contracted to outside suppliers whenever this option appears more cost-effective. The central team will coordinate such activities and ensure the compliance with UN rules in this process.<br><br>See also the tables in Chapter VII of the draft strategy document for an indication of how the organization and management of the Trade Point Programme and the priorities established in the draft strategy are to be reflected in the allocation of resources. | |

## II. Other follow-up action aimed at improving Programme's delivery, in particular the assistance provided to the Trade Points

1. In examining the activities aimed at enhancing programme delivery, participants reiterated the view of the Working Party that implementation of the Trade Point Programme should be refocused on more realistic objectives, to concentrate primarily on the consolidation of the basic functions of the Programme as well as providing the necessary support required by Trade Points.

2. Against this background the participants emphasised the following areas:

- Expansion of the trade facilitation dimension of TPs;
- Capacity development of TPs;
- Adding value to information provided by TPs;
- Delivery of basic services to TPs; keeping up to date on technological developments;
- Strengthening existing TPs and bringing developing TPs to the operational stage;
- Legal issues relating to TPs, such as liability and intellectual property rights;
- TPs should develop their comparative advantage in linking private sector service providers, such as banks, public institutions, such as Customs, and the business community;
- UNCTAD should play the role of trade facilitator. Specifically, UNCTAD's focus should be on standards, training and customer service;
- A guide should be developed on how to establish a successful TP based on the successful experience of existing TPs;
- The benefits of the GTPNet as a network for developing countries (which could also be tapped by developed countries) should be emphasized. The role of the GTPNet in building a community of TPs should be enhanced, along with its role as a repository of relevant information. The GTPNet should be marketed and promoted as a brand name in order to build recognition within the business community. GTPNet should not be limited to ETOs but should focus on other value-added services.
- While there was support for ETOs, some participants felt that ETOs should not be the focal point of the network. Several participants felt ETOs were a key service. The need for quality ETOs was stressed.

3. With respect to the role of UNCTAD in ETOs, some participants felt that work on ETOs should be pursued while others felt that this should be handled by the private sector.

Annex I

## Participation

Chairman: Mr. Victor Busuttil, Chief, Programme Planning and Assessment Unit, UNCTAD

| Name | Title | Country |
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| **Mr. Per-Erik Abrahamsson** | Trade Director, West Sweden Chamber of Commerce and Industry | Sweden |
| **Mr. Gerardo Anigan** | TAPS Project, Philexport Office, International Trade Center | Philippines |
| **Professor Ian Bates** | Associate Dean, Research & Development, Faculty of Engineering, RMIT University | Australia |
| **Mr. Hernán Guillermo Diaz** | Cultivos Andinos S.A. | Argentina |
| **Ms. Zineb Filali** | Chief, Export Division, Ministry of Industry, Trade and Small Business | Morocco |
| **Ms. Patricia Francis** | President, JAMPRO | Jamaica |
| **Mr. Bernard Jaggy** | Federal Office of External Economic Affairs | Switzerland |
| **Mr. Solomon Kebede** | Director, Trade Point Addis Ababa, Ethiopian Export Promotion Agency | Ethiopia |
| **Ms. Viorela Popescu** | Director, Trade Point Bucharest, Romanian Foreign Trade Centre | Romania |
| **Mr. Anton Said** | Manager, Business Information & Technology Division, Malta External Trade Corporation | Malta |
| **Mrs. Aminata Sall** | Director, Trade Point Dakar | Senegal |
| **Mr. Rogério Santana dos Santos** | Vice-Chairman, Trade Point Porto Alegre | Brazil |
| **Dr. Mahmoud Mounir Soliman** | Head, EUROQUARZO Group<br>Head, Investors Associations of Tenth of Ramadan Industrial City | Egypt |
| **Mr. Bernard Stoven** | SIMPROFRANCE c/o CFCE | France |
| **Mr. Jay W. Wright** | Trade Policy Advisor, United States Agency for International Development/G/EGAD/EM | United States |
| **Mr. Henry Zhang** | Deputy Director, Trade Point Beijing | China |
| **Mr. Bernard Ancel** | Chief, Trade Information Section, Division of Product and Market Development, ITC | |
| **Mr. Hans Armfelt Hansell** | Deputy Director, Trade Division, UN/ECE | |
| **Mr. Bertrand Jocteur-Monrozier** | Senior Adviser on Trade Information Management, Trade Information Section, DPMD International Trade Centre, UNCTAD/WTO | |